

## Washington keeps up pressure on Tokyo to cut trade surplus

TOKYO, Jan 24: US Treasury Secretary Lloyd Bentsen kept up the pressure on Prime Minister Morihiro Hosokawa on Sunday to cut Japan's trade surplus but said the Japanese leader faced pressing domestic problems, reports Reuters.

Under an economic framework pact signed in July, Japan agreed to cut its current account surplus and improve access to some market sectors.

Bentsen told a Tokyo news conference: "obviously, he has his work before him on political reform at the same time."

Referring to the July pact, Bentsen said: "If we do not have credible agreements by the time of the summit, we would have to re-examine the basis of the framework.... we

will not settle for any cosmetic agreement.

He denied this was a threat, declaring: "I don't mean it to be one. I think these are just the realities of the situation."

Hosokawa is due to meet President Bill Clinton in Washington on February 11 and Japan has pledged to reach market opening deals by then in trade in cars and car parts, insurance and government procurement covering mostly telecommunications and medical equipment.

Negotiators say the two sides are far apart in a dispute over clause in the pact calling for quantitative or qualitative indicators to measure progress.

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The United States had hoped that Hosokawa could put pressure on bureaucrats to reach agreements before the summit.

But the future of Hosokawa's government is in doubt after parliament's upper house threw out his coalition's prize package of political reform bills on Friday.

Bentsen, who stopped over at the end of a 12-day tour of Russia and Asia, said he believed Hosokawa was committed to reaching agreements under the framework pact.

Bentsen said Hosokawa still

intended to go to Washington next month and denied Japan had asked the United States to go easy on trade matters because of its political turmoil.

"They've said they're ready to go ahead and the Prime Minister said he would have his people working on it diligently," Bentsen said.

Hosokawa told Bentsen he would do his best. "Right now what Japan needs, most, both politically and economically, is leadership, and I will do my utmost," a finance ministry official quoted him as saying.

Finance Ministry officials had been negotiating over this time lag with coalition parties before the government lost the vote last week and an economic package had been expected to be unveiled this week.

## Dhaka, Lankan firms to produce small cucumbers under jt venture

Two private enterprises of Sri Lanka and Bangladesh under a joint venture will produce small cucumbers in the country and export the farm produce to Europe, reports UNB.

The first lot of Gerkinns grown in Bangladesh will be ready for shipment to Europe shortly, an official source said.

Pickle Pickers Ltd, the largest grower and exporter of Gerkinns to Europe from Sri Lanka, offered its technical knowhow to Agricultural Marketing Co Ltd of Bangladesh for cultivation of the exportable.

The parties will shortly form a joint-venture firm based in Bangladesh for increasing the production and export of Gerkinns from Bangladesh as well as extending their venture to other horticultural products like 'saby corns' which has a tremendous demand in the western countries.

This will earn foreign exchange for Bangladesh and generate employment, the source added.

This is first such joint venture enterprise between Bangladesh and Sri Lanka, which is an outcome of the efforts of the Bangladesh High Commission in Colombo.

## Hafiz new President of ICMAB

Chowdhury Hafizur Rahman, FCMA, and M Abul Kalam Mazumdar, FCMA, have been elected president and secretary for the year 1994 at a meeting of the 16-member National Council of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) recently, says a press release.

Rahman is Controller of Finance of Beximco group of companies.

The meeting also elected Md Mohiuddin, FCMA, and Muzaffar Ahmed, FCMA, vice presidents while A B M Shamsuddin, FCMA, Treasurer.

The Institute is the only body that regulates the cost and management accountancy profession in the country.

## Metalworkers in Germany threaten to go on strike

WOLFSBURG, Germany, Jan 24: Germany's largest trade union, IG Metall, has threatened to call its members out on warning strikes before the end of January unless employers softened their stance in metal industry pay talks, reports Reuters.

The first stoppages would happen as soon as a ban on strikes during the negotiation period finished on January 28, IG Metall leader Klaus Zwickel told a union conference in Wolfsburg on Saturday, earlier reports said the warning strikes might start in February.

The union has demanded a 5.5 per cent pay rise for 1994 and a reduction of the working week to 35 hours for the 25,00,000 workers in the metal and electrical industry.

But it has already said it would accept a lower pay increase if firms in the sector agreed to guarantee jobs.

Employers want the reintroduction of the 40-hour week and cuts in holiday time and holiday bonuses.



The federal Yugoslav government (Serbia-Montenegro) presented Sunday banknotes of the supposedly-convertible "super-dinar", worth 1 DM (0.57 US dollars). The new dinar notes reduce by at least six the number of zeros of each denomination as the Belgrade government attempts to cut inflation from more than 1,000,000 per cent per month to about 50 with this currency assertedly covered "in gold or hard currency."

—AFP photo

## GCC steps to link stock markets

ABU DHABI, Jan 24: Wealthy Gulf Arab states have begun steps to link their burgeoning stock markets as part of an agreement to integrate their oil-dependent economies, official Gulf sources said yesterday, reports AFP.

Economy and trade ministers of the six-nation Gulf Cooperation Council (GCC) have set up a committee to follow up the project, which is essential for the creation of a common gulf market, the sources said.

The committee, which groups officials from the economy and trade ministries in member states, met in Riyadh two weeks ago to chalk out an action plan for the coming period. "A united Arab Emirates

## Kazakhstan demands \$1b compensation for dismantling of N-arms

MOSCOW, Jan 24: Kazakhstan has demanded one billion dollars in compensation for the dismantling of its nuclear weapons, whose extracted uranium is to be sold by Russia to a US firm, Izvestia reported yesterday, says AFP.

Kazakh President Nursultan Nazarbayev announced his demand during an official visit to Ukraine Friday, the newspaper said.

Under the denuclearization agreement signed by US President Bill Clinton, Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk in Moscow on January 14, Russia is to transform 500 tonnes of heavily enriched uranium extracted from the nuclear warheads of Belarus, Kazakhstan and Ukraine into lightly enriched uranium, which will then be sold to a private US firm for 12 billion dollars.

Ukraine, which agreed to give up its entire nuclear arsenal of 176 strategic missiles and several bombers, is to receive one billion dollars for its share of uranium sold, under the terms of the agreement.

Kazakhstan — one of four ex-Soviet republics to possess nuclear weapons, along with Belarus, Russia and Ukraine — agreed to dismantle its 104 SS-18 ballistic missiles and the warheads aboard its bombers. It also ratified the nuclear Non-Proliferation Treaty (NPT) in December.

Belarus, which agreed in a bilateral accord with Russia to dismantle its 81 SS-25 ballistic missiles by the end of 1994, demanded its share of uranium profits shortly after the tripartite agreement was signed.

The 1992 Lisbon protocol, which renewed the NPT of 1968, designated Russia to inherit the entire ex-Soviet nuclear arsenal.

## Results of 38th auction of BB bill

Twenty seven bids for a total amount of Tk 233 (Two hundred and thirty-three) crore were received at the 38th auction of the 91-day Bangladesh Bank bill held yesterday, says a press release.

Six bids were accepted. Face value of the bids accepted was Tk 45 (Forty-five) crore.

The weighted average price of the accepted bids was Tk 93.25 per 100 taka. The corresponding yield is 3.02 per cent per annum.

## China, Sheraton int'l sign accord to form hotel under jt venture

China and Sheraton International have signed an agreement to form the first joint venture hotel 'Sheraton Orient Hotel Management Company Ltd' (SOHOMCL), says a press release.

The signing accord was held at the Great Hall of the Peoples in Beijing on January 18.

Sheraton International Inc — a subsidiary of ITC Sheraton Corporation and China International Travel Service Corporate Headquarters, Bank of China Trust and Consultancy Company initiated the agreement.

## Accord to succeed ITTA should be finalised next week: UN

GENEVA, Jan 24: A new 50-nation accord to succeed the International Tropical Timber Agreement (ITTA) should be finalised next week after negotiators failed to complete it yesterday, the United Nations said, reports Reuters.

In a meeting late yesterday, negotiators decided to carry the talks over into a third week. A statement from the UN Conference on Trade and Development (UNCTAD) said a text should be adopted on Wednesday.

The 1983 pact expires in March.

Trade sources said producer and consumer countries had reached a compromise on the scope of the pact, which would continue to cover just tropical woods.



Deputy Leader of the House Prof Badruddoza Chowdhury (L) inaugurating a two-day 3M Communication Seminar for Management organised jointly by Kalam Enterprise and 3M Singapore at Sonargaon Hotel in the city yesterday. M Abul Kalam, Managing Director of Kalam Enterprise (M) also seen in the picture. — Star photo

## Boost economy to ensure peace process, US urges Palestinians

GAZA CITY, Jan 24: US commerce secretary Ron Brown urged Palestinian businessmen here yesterday to create jobs and boost economic growth to ensure the success of the Middle East peace process, reports AFP.

As peace comes to this region, hope and expectations are raised. Brown told a news conference after he met with 30 business leaders from Gaza City, Khan Yunes and Rafah to encourage more private investment.

"We need to do all we can to meet these expectations. Economic growth and the creation of jobs are key to this process," he said on the last leg of a week-long regional tour.

That's way our focus within the Department of Commerce is to encourage private sector investments, he said.

During Brown's tour, the US pledged 350 million dollars in aid, 250 million for technical assistance and another 100 million in loan guarantees, according to a Commerce Department statement released Saturday in Gaza.

"The needs of the Gaza people have been ignored for too long. It is time that the international community supports the peace process to enfranchise the Gaza people," Brown said, adding that legal assistance and infrastructure funding could help improve the Gaza Strip's economic foundation.

## Asian stocks close mixed

HONG KONG, Jan 24: Asian stock markets closed generally mixed Monday, but share prices plunged in Tokyo because of the political uncertainty in Japan, reports AP.

Tokyo's 225-issue Nikkei Stock Average shed 954.19 points, or 4.94 per cent, closing at 18,353.24. It was the biggest single-day fall since 1,799.04 points on November 25, 1991.

On Friday, the average had gained 123.51 points, or 0.64 per cent, to 19,307.43 on expectations that the governing coalition would win passage of a political reform package.

The package was defeated in Parliament's upper house after the markets closed Friday, ensuring that the government would remain tied up in haggling over political reforms, instead of turning its attention to the struggling economy.



The meeting of the Board of Directors of Padma Textile Mills Ltd., was held yesterday at the Company's head office in the city. It was attended by Terence A Mordue of Commonwealth Development Corporation, Charles Derek Else of Industrial Promotion and Development Company of Bangladesh Ltd., SABB Thalakada of Asian Development Bank, Salman F. Rahman, Deputy Chairman, BEXIMCO Group and M A Qasem, Director BEXIMCO Group. A S F Rahman, Chairman, BEXIMCO Group presided over the meeting. The Board considered the provisional accounts of the company for the year ended on Dec 31 '93, which showed a profit of Tk. 6.53 crore during the year.

## Australian dollar gains sharply against Greenback over week

HONG KONG, Jan 24: Strong support from offshore buyers showed the Australian dollar into the limelight over the week as the currency gained sharply on the Greenback, reports AFP.

The Aussie lead a pack of slight gainers which lost strong starting positions through profit-taking later in the week.

The Japanese yen also gained ground, but was expected to fall at the start of trading Monday with uncertainty over the fate of Prime Minister Morihiro Hosokawa's political reform bills.

AUSTRALIAN DOLLAR: The Australian dollar surged more than one US cent during the week as overseas investors ought to snap up domestic shares and bonds closing Friday at an eight-month high of 70.21 US cents and sharply up from last week's close of 68.93 US cents.

"Strong offshore support for Australian equity and credit

markets facilitated the dollar's rise," said Schroders Australia economist Bernadette Fulton.

On the Reserve Bank of Australia's Trade-Weighted Index, a basket of major trading currencies, the Australian dollar advanced to 53.5 points from last Friday's 52.7.

JAPANESE YEN: The yen closed the week at 111.30 to the US dollar, up 0.45 yen from a week earlier, but was expected to lose ground in the political turmoil following the rejection of anti-corruption bills in the upper house.

After opening the week higher at 111.25, the yen rose as institutional buyers lead the way to 110.77, the highest close in the past month.

But the currency fell back Thursday on reports that the US trade deficit with Japan decreased before regaining some ground Friday as players sat on the sidelines, waiting for the upper house vote after the market closed.

HONG KONG DOLLAR: The

## Inflation rate rises in India

NEW DELHI, Jan 24: The annual rate of inflation, based on a provisional-over-final comparison of the Wholesale Price Index (WPI) shot up to 8.4 per cent for the latest week ending January 8, reports PTI.

Prior to this, the annual rate of inflation stood at 8.3 per cent, 7.7 per cent and 8.1 per cent for the consecutive weeks ending December 18, December 25 and January 1, respectively.

During the latest week, the annual inflation rate rose by 0.3 percentage points, despite the provisional all commodities WPI (base 1981-82=100) registering no change from the previous week's level of 250.3.

Inflation levels have been hovering around eight per cent for quite some time now. In fact, barring the provisional estimate of 7.7 per cent for the week ended December 25, the inflation rate has been ruling above the eight per cent mark for the last 21 weeks.

Among the three major groups constituting the 'All commodities' WPI, the index for 'Primary articles', dropped by 0.5 per cent to 254.0 for the latest week, from the earlier level of 255.2.

## Iran seeks OPEC states' concerted move to raise oil prices

LONDON, Jan 24: Iran's Interior Minister Ali Mohammad Besharati told the Emir of Qatar on Sunday that OPEC countries should make a concerted move to reverse the downward trend of oil prices, the Iranian news agency Irna reported, says Reuters.

It said the Emir, Sheikh Khalifa Bin Hamad Al-Thani, welcomed the proposal saying he would do everything possible — including a production cut — to ensure that oil prices rise.

The price of March futures for the world benchmark Brent Blend of crude oil traded just below 14 per barrel on Friday, about 20 cents firmer than a week ago.

Iran is the second largest producer in the Organisation of the Petroleum Exporting Countries after Saudi Arabia and has a daily quota of 3.1 million barrels.

Besharati returned to Tehran on Sunday night after a two-day visit to Qatar.

## Japan's economy needs more time for recovery

TOKYO, Jan 24: Bank of Japan governor Yasushi Mieno said today the nation's economy remained sluggish and needed more time for recovery, reports AFP.

The economy was continuing to be sluggish, he said in his opening address at a two-day quarterly meeting of the central bank's branch managers. "It will still take time for recovery," he added.

Mieno is to hold a press conference Wednesday following the meeting, the central bank decides its basic monetary policy based on reports from 33 branch managers at home and three representatives abroad.

## Unemployment in Germany to rise this yr

FRANKFURT, Jan 24: German Economics Minister Guenter Rexrodt yesterday said German unemployment would increase this year but the trend would reverse in 1995, reports Reuters.

According to the text of an interview to be broadcast on German television, Rexrodt said "the year 1994 will be a hard year with higher unemployment... I assume this trend can be expected to change in '95."

Pressure on the job market would ease in Germany in 1995 because important restructuring measures taken by companies would be advanced or finished by then, he said.

Also the East German job market, which had already stabilised, would see more of an upturn, Rexrodt said.

West German unemployment rose to 2,494,000 in December the highest December figure in the history of the postwar federal republic. The unemployment rate was 8.1 per cent.

In East Germany, the jobless total rose to 1.18 million, giving a rate there of 15.4 per cent.